

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

In re Patent Application of:) Confirmation No.: 3920
Bijan **TADAYON, et al.**) Group Art Unit: 3621
Serial No. 10/777,044) Examiner: Kucab, Jamie R.
Filed: February 13, 2004)
For: **METHOD AND APPARATUS FOR**) Date: December 10, 2010
DYNAMICALLY ASSIGNING)
USAGE RIGHTS TO DIGITAL)
WORKS)

APPEAL BRIEF

Mail Stop Appeal Brief – Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

In accordance with the provisions of 35 U.S.C. § 134 and 37 C.F.R. § 41.37, Appellants submit the following Appeal Brief in support of the appeal proceedings instituted by a Notice of Appeal filed on August 12, 2010, in response to the Final Office Action mailed May 12, 2010, in furtherance of the Amendment After Final filed June 14, 2010, and in response to the Advisory Action mailed June 25, 2010, in connection with the above-captioned patent application.

I. REAL PARTY IN INTEREST

ContentGuard Holdings, Inc. is the real party in interest.

II. RELATED APPEALS AND INTERFERENCES

The following appeals, interferences or judicial proceedings may be related to, directly affect or be directly affected by or have a bearing on the Board's decision in this appeal. Copies of any decisions rendered by a court or the Board in any proceeding identified under this paragraph, if applicable, are included in an appendix as required by 37 CFR 41.37(c)(1)(x).

- Appeal No. 2009-008480, U.S. Appl. No. 10/162,212 (Atty. Docket No. 10-531-US-P)
- Appeal No. 2009-008881, U.S. Appl. No. 10/163,634 (Atty. Docket No. 10-531-US-P3)
- Appeal No. 2010-006357, U.S. Appl. No. 10/452,928 (Atty. Docket No. 10-524-US-P4)
- Appeal No. 2010-009554, U.S. Appl. No. 10/956,070 (Atty. Docket No. 10-531-US-P4)

III. STATUS OF CLAIMS

According to the Final Office Action, claims 1, 3-18, 22-37, and 40-57 are pending in this application. Claims 2, 19-21, and 38-39 are canceled. Thus, this Appeal is taken from the rejection of claims 1, 3-18, 22-37, and 40-57 as set forth in the Claims Appendix submitted herewith.

Appellants note that further amendments were filed with the Amendment After Final filed June 14, 2010. (See *Exhibit A: Amendment After Final*). In this amendment, claims 18, 23, 24, 29, 34-37, 41, 42, and 56 were amended. The claims assuming entry of these amendments are also submitted herewith. (See *Exhibit B: Claims Assuming Entry of Amendment After Final*).

Appellants submit that these amendments should have been entered at least for the reasons set forth in the Status of Amendments section below.

IV. STATUS OF AMENDMENTS

As indicated above, an Amendment After Final was filed June 14, 2010, to place the application in better form for appeal pursuant to 37 CFR § 1.116(b)(1), (2). Appellants attempted to amend claims 18, 23, 24, 29, 34-37, 41, 42, and 56, therein to address issues under 35 U.S.C. § 112, sixth paragraph, raised by the Examiner in the Final Office Action. In particular, the Examiner indicated, in the Final Office Action, that the claimed phrase "a processor" would have been unclear. On pages 5-6 of the Final Office Action, the Examiner recommended options for overcoming this objection, including:

(b) Clearly not invoke 35 U.S.C. 112, sixth paragraph by amending the claims to recite that each of the processors is programmed to perform method steps corresponding to the aforementioned functional recitations (e.g., -- a processor for specifying programmed to specify a usage right -- or similar); or

In the Amendment After Final, Appellants followed the Examiner's recommendation and amended claims 18 and 37 as follows:

18. A system for dynamically assigning usage rights to digital content and including at least one repository, said system comprising:

a processor for specifying programmed to specify a usage right, the usage right specifying an authorized use of digital content and being enforceable by a repository;

a processor for determining programmed to determine a status of a dynamic condition; and

a processor for dynamically assigning programmed to dynamically assign the usage right to the digital content based on the status of the dynamic condition, wherein access to the digital content is controlled by the repository through enforcement of the usage right assigned to the digital work.

37. A device for enforcing usage rights assigned to digital content, said device comprising:

a repository for receiving the digital content;

a processor for requesting programmed to request use of the digital content; and

a repository for enforcing use of the digital content in accordance with a usage right specifying an authorized use of the digital content, wherein the usage

right is dynamically assigned to the digital content based on a determined status of a dynamic condition.

Corresponding amendments were made to those claims dependent on claim 18 and/or 37, as needed for consistency.

Appellants believe these amendments should have been entered as they clearly addressed the Examiner's concerns regarding 35 U.S.C. § 112, sixth paragraph, thereby reducing the issues on appeal. In addition, Appellants do not believe these amendments required any further search or consideration.

However, in the Advisory Action, the Examiner refused to enter the amendments by simply asserting that:

Continuation of 3. NOTE: The claim amendments require further search and consideration.

No further explanation was provided. (*See Exhibit C: Advisory Action*).

Appellants respectfully submit that the amendments submitted with the Amendment After Final should have been entered by the Examiner because entry 1) would have placed the application either in condition for allowance or in better form for appeal; 2) raised no new issue of new matter; and 3) presented no new issues requiring further consideration or search. *See* 37 CFR 1.116; see also *Manual of Patent Examining Procedure (M.P.E.P.)*, 8th Ed. § 714.12-13. Moreover, Appellants submitted the amendments in accordance with the Examiner's recommendation.

For at least these reasons, Appellants respectfully request that the Board enter the amendments set forth in the Amendment After Final to substantially reduce the issues on appeal.

V. SUMMARY OF CLAIMED SUBJECT MATTER

This Appeal is taken from the rejection of claims 1, 3-18, 22-37, and 40-57. Claims 1, 18, and 37 are independent.

Independent claim 1 recites a method of dynamically assigning usage rights to digital content for use in a system having at least one repository. (See, for example, Specification, paragraphs [0002], [0010], [0020], [0029], and [0030]). The method comprises specifying, using a processor, a usage right, the usage right comprising computer readable data stored on a recording medium, the data of the usage right specifying an authorized use of digital content and being enforceable by a repository (See, for example, Specification, paragraphs [0020] and [0030]); determining, using a processor, a status of a dynamic condition (See, for example, Specification, paragraphs [0019]-[0021], [0029], and [0030]); and dynamically assigning, using a processor, the usage right to the digital content based on the status of the dynamic condition, (See, for example, Specification, paragraphs [0019]-[0021], [0029], and [0030]), wherein access to the digital content is controlled by the repository through enforcement of the usage right assigned to the digital work. (See, for example, Specification, paragraphs [0009] and [0010]).

Independent claim 18 recites a system for dynamically assigning usage rights to digital content and including at least one repository. (See, for example, Specification, paragraphs [0002], [0010], [0020], [0029], and [0030]). The system comprises a processor for specifying a usage right, the usage right specifying an authorized use of digital content and being enforceable by a repository (See, for example, Specification, paragraphs [0020] and [0030]); a processor for determining a status of a dynamic condition (See, for example, Specification, paragraphs [0019]-[0021], [0029], and [0030]); and a processor for dynamically assigning the usage right to the digital content based on the status of the dynamic condition (See, for example, Specification, paragraphs [0019]-[0021], [0029], and [0030]), wherein access to the digital content is controlled by the repository through enforcement of the usage right assigned to the digital work. (See, for example, Specification, paragraphs [0009] and [0010]).

Independent claim 37 recites a device for enforcing usage rights assigned to digital content. (See, for example, Specification, paragraphs [0002], [0010], [0020], [0029], and [0030]). The device comprises a repository for receiving the digital content (See, for example, Specification, paragraphs [0009] and [0010]); a processor for requesting use of the digital content (See, for example, Specification, paragraphs [0020] and [0030]); and a repository for enforcing use of the digital content in accordance with a usage right specifying an authorized use

of the digital content, wherein the usage right is dynamically assigned to the digital content based on a determined status of a dynamic condition. (See, for example, Specification, paragraphs [0009], [0010], [0019]-[0021], [0029], and [0030].

Additional support for the claimed features can be found in the U.S. patents and other references incorporated into the Specification by reference (See, for example, Specification, paragraphs [0003], [0009], and [0027]).

Support for the dependent claims can be found in the above portions of the patent application and throughout the specification.

VI. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

The grounds of rejection to be reviewed on Appeal are as follows:

- A. The Rejection of Claims 1, 3-18, 22-37, And 40-57 Under 35 U.S.C. § 112, First Paragraph
- B. The Rejection of Claims 1, 3-18, 22-37, And 40-57 Under 35 U.S.C. § 112, Second Paragraph
- C. The Rejection of Claims 1, 6, 8-18, 25, 27-37, 39, 43, And 45-57 Under 35 U.S.C. § 102(b) Over Stefik et al., U.S. Patent No. 5,638,443.
- D. The Rejection of Claims 1, 3, 6-18, 22, 25-37, 39, 40, And 43-57 Under 35 U.S.C. § 103(a) Over Stefik et al. in view of Grosh, U.S. Patent No. 6,195,646.
- E. The Rejection of Claims 4, 5, 23, 24, 41, and 42 Under 35 U.S.C. § 103(a) Over Stefik, Grosh, And Either Appellants' Admitted Prior Art or Cox et al., U.S. Patent No. 5,930,369.
- F. The "Claim Interpretation" and "Additional Findings of Fact" Sections

VII. ARGUMENTS

A. The Rejection of Claims 1, 3-18, 22-37, And 40-57 Under 35 U.S.C. § 112, First Paragraph, Should Be REVERSED

On pages 2-3 of the Final Office Action, the Examiner rejects claims 1, 3-18, 22-37, and 40-57 under 35 U.S.C. § 112, first paragraph, as failing to provide a written description of the claimed invention. Specifically, the Examiner asserts:

6. Claims 1, 3-18, 22-37, and 40-57 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claims contain subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventors, at the time the application was filed, had possession of the claimed invention. The following limitations were not previously disclosed:

The Examiner then sets forth six claimed features as follows.

a. The three recitations of "using a processor" (claim 1) if interpreted as three different processors. Applicant does not have support for such an arrangement in the specification.

Appellants are confused by the Examiner's assertion that "Appellant does not have support for such an arrangement." It is not clear whether this rejection is based on the written description requirement or the enablement requirement of the first paragraph of 35 U.S.C. § 112.

Regardless, Appellants submit that paragraph [0020] of the specification states that, "server 200 is associated with distributor 120 and can be ... a collection of computers. Paragraph [0020] in its entirety provides:

[0020] Server 200 is associated with distributor 120 and can be a personal computer, a server, a minicomputer, a collection of computers, a computer network, or the like. Server 200 has storage devices 202 (such as magnetic hard discs) for storing information including central program 710 and digital works

203. Central processing unit (CPU) 204 for controlling the flow of information in accordance with control program 210, and random access memory (RAM) 206 used as a workspace for CPU 204. Server 200 is coupled to Internet backbone 60 through high speed communications link 62. Of course, server 200 can be coupled to Internet backbone 60 through a modem and an ISP in a manner similar to client 230, or in any other manner.

Also, paragraph [0030] states that, the functions "... can be accomplished by any party on any device." Paragraph [0030] in its entirety provides:

[0030] The distribution, accounting, and other functions of the distributor and clearinghouse can be accomplished by any party on any device. For example, the content can be rendered on an ebook reader or PDA in response to entry of a code or insertion of a smartcard into a reader and accounting can be accomplished when the digital work or accounting data is returned to a specific source. The division of tasks disclosed herein is only an example. Usage rights and or accounting data can be encapsulated with the digital work or can be stored separately. Code for rendering, decrypting, or otherwise permitting or limiting use of the content can be stored on any device or can be encapsulated with the digital work. Any distribution arrangement can be used with the invention and such arrangements can include any combination of devices, such as personal computers, servers, PDAs, and the like communicating with one another in any manner as is necessary to transfer the desired information.

These portions of the specification are merely examples of disclosure that the invention was contemplated to be accomplished on one or more computing devices having processors. Thus, this limitation is clearly supported and enabled by the specification.

b. "a repository for receiving the digital content" (claim 37).

Appellants point to paragraphs [0009] and [0010] and the Abstract as providing support for a repository receiving digital content. These paragraphs provide:

[0009] U.S. patent 5,634,012, the disclosure of which is incorporated herein by reference, discloses a system for controlling the distribution of digital documents. Each rendering device has a repository associated therewith. A predetermined set of usage transaction steps define a protocol used by the repositories for carrying out usage rights associated with a document. Usage rights are encapsulated with the document content or otherwise associated with the document to travel with the document. The usage rights can permit various types of use such as, viewing

only, use once, distribution, and the like. Rights can be granted based on payment or other conditions and are generally set prior to distribution to the user. For example the rights may grant the user certain privileges, such as the ability to view and print the content, in exchange for a specific fee. However, there are dynamic conditions that affect the cost or desirability of distributing a document. Conventional DRM techniques do not account for such dynamic conditions.

[0010] Exemplary aspects of the invention are directed to a method, system and computer program product for dynamically assigning usage rights to digital content for use in a system having at least one repository, including specifying a usage right, the usage right specifying an authorized use of digital content and being enforceable by a repository; determining a status of a dynamic condition; and dynamically assigning the usage right to the digital content based on the status of the dynamic condition.

Also, U.S. Patent 5,634,012, which is incorporated by reference into the specification, clearly discloses such a repository. Thus, this limitation is clearly supported and enabled by the specification.

c. The three recitations of "a processor" (claim 18) if interpreted as three different processors. Applicant does not have support for such an arrangement in the specification.

As indicated above with reference to assertion "a", paragraph [0020] of the specification states that, "server 200 is associated with distributor 120 and can be ... a collection of computers. Also, paragraph [0030] states that, the functions "... can be accomplished by any party on any device." These portions of the specification are merely examples of disclosure that the invention was contemplated to be accomplished on one or more computing devices each having at least one processor. Thus, this limitation is clearly supported and enabled by the specification.

d. The three recitations of "a processor" (claim 23) if interpreted as three different processors. Applicant does not have support for such an arrangement in the specification.

As indicated above with reference to assertions "a" and "c", paragraph [0020] of the specification states that, "server 200 is associated with distributor 120 and can be ... a collection

of computers. Also, paragraph [0030] states that, the functions "... can be accomplished by any party on any device." These portions of the specification are merely examples of disclosure that the invention was contemplated to be accomplished on one or more computing devices each having at least one processor. Thus, this limitation is clearly supported and enabled by the specification.

e. "a repository for enforcing use of the digital content ..." (claim 37).

Although Applicant's system is described as "for use in a system having at least one repository" (Abstract, [0010]) and that the usage rights are "enforceable by a repository" ([0010]), there is no description of a repository as an element of Applicant's invention.

As indicated above with reference to assertion "b", Appellants point to paragraphs [0009] and [0010] and the Abstract as providing support for a repository enforcing the use of digital content. Also, U.S. Patent 5,634,012, which is incorporated by reference into the specification, clearly discloses such a repository. Thus, this limitation is clearly supported and enabled by the specification.

f. "wherein access to the digital content is controlled by the repository through enforcement of the usage right assigned to the digital work." (claims 1 and 18).

As indicated above with reference to assertions "b" and "e", Appellants point to paragraphs [0009] and [0010] and the Abstract as providing support for a repository enforcing the use of digital content. Also, U.S. Patent 5,634,012, which is incorporated by reference into the specification, clearly discloses such a repository. Thus, this limitation is clearly supported and enabled by the specification.

For at least the above reasons, Appellants submit that the rejection of claims 1, 3-18, 22-37, and 40-57 under 35 U.S.C. § 112, first paragraph, should be REVERSED.

B. The Rejection of Claims 1, 3-18, 22-37, And 40-57 Under 35 U.S.C. § 112, Second Paragraph Should Be REVERSED.

Claims 1, 3-18, 22-37, and 40-57 stand rejected under 35 U.S.C. § 112, second paragraph, as being indefinite. The Examiner notes that the three recitations of “using a processor” in claim 1 would have been unclear to one of skill in the art because it is unclear whether these are the same or different processors. To the contrary, Appellants believe it is clear, based on the disclosure, that this claim language can be interpreted as one processor or multiple processors. Such implementation of distributing tasks over processors or using a single processor is well known and would be apparent to one of skill in the art.

The Examiner also notes that the recitation of “being enforceable by a repository” would have been unclear. However, U.S. Patent 5,634,012, discussed in paragraph [0009] of the specification, clearly discloses this element of the invention and thus would be well known to one of skill in the art.

[0009] U.S. patent 5,634,012, the disclosure of which is incorporated herein by reference, discloses a system for controlling the distribution of digital documents. Each rendering device has a repository associated therewith. A predetermined set of usage transaction steps define a protocol used by the repositories for carrying out usage rights associated with a document. Usage rights are encapsulated with the document content or otherwise associated with the document to travel with the document. The usage rights can permit various types of use such as, viewing only, use once, distribution, and the like. Rights can be granted based on payment or other conditions and are generally set prior to distribution to the user. For example the rights may grant the user certain privileges, such as the ability to view and print the content, in exchange for a specific fee. However, there are dynamic conditions that affect the cost or desirability of distributing a document. Conventional DRM techniques do not account for such dynamic conditions.

The Examiner admits that U.S. Patent 5,634,012 teaches usage rights that are enforceable by a repository, but asserts that this claim term would “require that the usage rights be attached via watermark to a digital work and be specified using a rights language.” However, the Examiner’s interpretation is not consistent with U.S. Patent 5,634,012 or the teachings of the specification. U.S. Patent 5,634,012 does not require a watermark be attached to a digital work,

for example. As such, Appellants submit that the Examiner's interpretation in this regard be given no weight.

The Examiner also notes that the recitation of "wherein access to the digital content is controlled by a repository" would have been unclear. However, U.S. Patent 5,634,012 clearly discloses this element of the invention and thus would be well known to one of skill in the art.

The Examiner notes that the three recitations of "using a processor" in claims 18, 22-37, 40-54, 56, and 57 would have been unclear to one of skill in the art because it is unclear whether these are the same or different processors. However, it is clear, based on the portions of the disclosure discussed above, that this claim language can be interpreted as one processor or multiple processors. Such implementation of distributing tasks over processors or using a single processor is well known and would be apparent to one of skill in the art.

Finally, with respect to U.S.C. § 112, the Examiner indicates that it is not clear whether the claims are intended to invoke U.S.C. § 112, paragraph 6. As set forth above in the "Status of Amendments" section, Appellants attempted to amend claims 18, 23, 24, 29, 34-37, 41, 42, and 56, in the Amendment After Final to address these concerns. Specifically, Appellants followed the Examiner's recommendations in the Final Office Action to amend the claims to correct this issue (Option (b) set forth by the Examiner on page 6 of the Final Office Action), but the Examiner refused to enter the amendments.

Appellants respectfully submit that the amendments submitted with the Amendment After Final should have been entered by the Examiner because entry 1) would have placed the application either in condition for allowance or in better form for appeal; 2) raised no new issue of new matter; and 3) presented no new issues requiring further consideration or search. *See* 37 CFR 1.116; see also *Manual of Patent Examining Procedure (M.P.E.P.)*, 8th Ed. § 714.12-13.

Upon proper entry, the issues surrounding 35 U.S.C. § 112, sixth paragraph, will be resolved. Therefore, Appellants request entry of the amendments presented in the Amendment After Final.

C. The Rejection of Claims 1, 6, 8-18, 25, 27-37, 39, 43, And 45-57 Under 35 U.S.C. § 102(b) Over Stefik et al. Should Be REVERSED.

Claims 1, 6, 8-18, 25, 27-37, 39, 43, and 45-57 stand rejected under 35 U.S.C. § 102(b) as being anticipated by Stefik et al. Appellants respectfully disagree and submit that Stefik fails to disclose, suggest, or render obvious, each and every feature recited in the claims, as is required for a proper rejection under 35 U.S.C. § 102(b).

1. U.S. Patent 5,634,012, Incorporated By Reference, and Stefik Have Substantially Identical Disclosures

Appellants note that the Examiner takes the position that the disclosure in the present case is inadequate, notwithstanding the incorporation by reference of U.S. Patent 5,634,012, but then rejects the claims based on Stefik, which has a disclosure that is substantially identical to the disclosure of U.S. Patent 5,634,012. Appellants requested that the Examiner provide clarification in this regard, but the Examiner as thus far neglected to do so.

In order to be anticipating, a prior art reference must be enabling so that the claimed subject matter may be made or used by one skilled in the art. Amgen Inc. v. Hoechst Marion Roussel, Inc., 314 F.3d 1313, 1354 (Fed. Cir. 2003); Helifix, Ltd. v. Blok-Lok, Ltd., 208 F.3d 1339, 1346 (Fed. Cir. 2000); Akzo N.V. v. U.S. Int'l Trade Comm'n, 808 F.2d 1471, 1479 (Fed. Cir. 1986). Prior art is not enabling so as to be anticipating if it does not enable a person of ordinary skill in the art to carry out the invention. See Elan Pharmas., Inc. v. Mayo Found., 346 F.3d 1051, 1057 (Fed. Cir. 2003) (remanding the case to the district court for a determination of whether the prior art reference enabled persons of ordinary skill to make the invention without undue experimentation); In re Donohue, 766 F.2d 531, 533 (Fed. Cir. 1985) ("[P]rior art . . . must sufficiently describe the claimed invention to have placed the public in possession of it. Such possession is effected if one of ordinary skill in the art could have combined the publication's description of the invention with his own knowledge to make the claimed invention.") (citation omitted).

Therefore, Appellants submit that maintaining both the rejection under 35 U.S.C. § 112 and 35 U.S.C. § 102 is directly contrary to established case law.

2. The Claims Recite Novel Features

The present invention is generally directed to a method, system and computer program product for dynamically assigning usage rights to digital works. See Abstract and at least paragraphs [0002, 0010, and 0029-0030] of the present specification. For example, a user employs a computer to download a digital work from a distributor's server. The server specifies a usage right authorizing use of the digital work that is enforceable by a repository. The server tracks dynamic conditions that may affect the usage right of the digital work. The server assigns the usage right to the digital content in accordance with the dynamic conditions. See paragraphs [0019-0021, 0029, and 0030] of the present specification.

3. Stefik Fails To Disclose Dynamically Assigning A Usage Right To The Digital Content Based On The Status Of The Dynamic Condition As Is Recited In The Claims

Regarding Stefik, Appellants maintain their position that Stefik fails to disclose dynamically assigning a usage right to the digital content based on the status of the dynamic condition as is recited in the claims. Specifically, there is no disclosure in Stefik of *assigning* usage rights based on dynamic conditions. Instead, the Stefik patent teaches that conditions can be part of a usage right and that the authorized use defined by the right can include conditions. The conditions of the Stefik patent govern how the digital content can be used after the usage right is assigned to the content. However, *such conditions do not relate to how the rights are assigned to content* in the Stefik patent.

The step of "assigning" usage rights is the step of tying the usage rights to an instance of content so that those rights will govern use of the content. Prior to assignment, rights do not govern use of content. The usage rights disclosed in the Stefik patent, including a manner of use and conditions, are assigned to content.

Figure 1, steps 101-102, and column 6, lines 16-49 of the Stefik disclose:

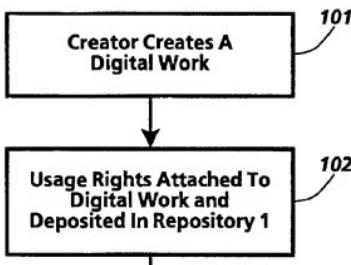


FIG. 1 is a high level flowchart omitting various details but which demonstrates the basic operation of the present invention. Referring to FIG. 1, a creator creates a digital work, step 101. The creator will then determine appropriate usage rights and fees, attach them to the digital work, and store them in Repository 1, step 102. The determination of appropriate usage rights and fees will depend on various economic factors. The digital work remains securely in Repository 1 until a request for access is received. The request for access begins with a session initiation by another repository. Here a Repository 2 initiates a session with Repository 1, step 103. As will be described in greater detail below, this session initiation includes steps which helps to insure that the respective repositories are trustworthy. Assuming that a session can be established, Repository 2 may then request access to the Digital Work for a stated purpose, step 104. The purpose may be, for example, to print the digital work or to obtain a copy of the digital work. The purpose will correspond to a specific usage right. In any event, Repository 1 checks the usage rights associated with the digital work to determine if the access to the digital work may be granted, step 105. The check of the usage rights essentially involves a determination of whether a right associated with the access request has been attached to the digital work and if all conditions associated with the right are satisfied. If the access is denied, repository 1 terminates the session with an error message, step 106. If access is granted, repository 1 transmits the digital work to repository 2, step 107. Once the digital work has been transmitted to repository 2, repository 1 and 2 each generate billing information for the access which is transmitted to a credit server, step 108. Such double billing reporting is done to insure against attempts to circumvent the billing process.

As is clear from the above portions of Stefik, the content is created (step 101 of Figure 1) and usage rights are attached, i.e. assigned, to the content, and the combination of the content and the usage rights is deposited in a repository (step 102 of Figure 1). Conditions of the assigned rights can then be considered after assignment of the rights to govern use of the content.

In contrast, the claims in the present application recite that the usage rights are *assigned* based on the status of dynamic conditions. The terms “assigned” and “assignment,” as used in the present specification, clearly refer to the association between the rights and the content. Prior to assignment, the rights are not associated with the content. See paragraphs [0010 and 0029] of the present application, for example, which provide:

[0010] Exemplary aspects of the invention are directed to a method, system and computer program product for dynamically assigning usage rights to digital content for use in a system having at least one repository, including specifying a usage right, the usage right specifying an authorized use of digital content and being enforceable by a repository; determining a status of a dynamic condition; and dynamically assigning the usage right to the digital content based on the status of the dynamic condition.

[0029] The invention can be applied to any type of distribution system for digital works. For example any number of computers or other devices can be used. Any dynamic conditions can be monitored and used to change usage rights assigned to content in any manner. Usage rights can be any privileges or restrictions on use and/or distribution of the digital work or content thereof. The dynamic conditions can be monitored, and the usage rights can be dynamically assigned or adjusted, constantly, periodically, or only when a digital work is to be distributed.

4. The Time Condition Of Stefik Is Not Used To Dynamically Assign Rights

In making his rejection, the Examiner asserts that the Stefik patent dynamically assigns and determines using a computer system and/or instructions stored on a computer readable medium. For example, the Examiner asserts that Stefik discloses that Time 1455 can be a dynamic condition, and that rights are dynamically assigned based on this dynamic condition. However, while *Stefik discloses that time may be a condition as discussed above, the conditions of the assigned right are only considered after the right has been assigned to the content.*

Specifically, Appellants respectfully submit that the portions of Stefik referenced by the Examiner are not disclosing time as a dynamic condition used to assign rights, but rather describing time synchronization between repositories. The condition in this example here would be better described as “clock drift” or “clock synchronization” rather than “time”. According to Stefik, if the “clock drift” is too large, the whole transaction is aborted. This is not a dynamic

condition upon which assignment of rights is based because there is no transaction if the clocks of the two repositories are too far out of sync.

While discussing the time condition of Stefik, the Examiner states that “the copy right is governed by a variety of measured times, see C21 L32-47, and in this way rights assigned when a new copy of a digital work is created are based on time (sic).” Col. 21, lines 32-47 of Stefik provides:

It is often desirable to assign a start date or specify some duration as to when a right may be exercised. Grammar element 1512 "Time-Spec:=({Fixed-Interval| Sliding-Interval|Meter-Time } Until: Expiration-Date)" provides for specification of time conditions on the exercise of a right. Rights may be granted for a specified time. Different kinds of time specifications are appropriate for different kinds of rights. Some rights may be exercised during a fixed and predetermined duration. Some rights may be exercised for an interval that starts the first time that the right is invoked by some transaction. Some rights may be exercised or are charged according to some kind of metered time, which may be split into separate intervals. For example, a right to view a picture for an hour might be split into six ten minute viewings or four fifteen minute viewings or twenty three minute viewings.

However, contrary to the assertions of the Examiner, this portion of Stefik in no way discloses assigning rights when a new copy of a digital work is created based on time. The Examiner fails to point to any further section of Stefik that discloses that rights may be assigned in this fashion.

5. The Copy Count Condition Of Stefik Is Not A Condition On Which Rights Are Dynamically Assigned

In addition to the time condition, the Examiner further asserts that Stefik discloses a dynamic copy count condition, and that rights are dynamically assigned based on this dynamic condition. Specifically, the Examiner asserts that “the ability of a repository to create another copy and assign it rights is governed by the copy-count for the copy right. If this is zero, a copy cannot be created. If this is greater than zero, a copy can be created.” In other words, the copy-count controls the making of copies. If there is no copy-count left, no copies can be made. In addition to Col. 21, lines 32-47, cited above, the Examiner cites the following portions of Stefik in support of these assertions.

Col. 11, lines 2-5:

...When the repository loans out a copy of the digital work, the usage rights in the loaner copy (called the next set of rights) could be set to prohibit any further rights to loan out the copy. The basic idea is that one cannot grant more rights than they have.

Col. 18, line 23:

...In the currently preferred embodiment, these specifications include copy count 1453, Fees and Incentives 1454, Time 1455, Access and Security 1456 and Control 1457...

Contrary to the assertions of the Examiner, the copy count of Stefik is not a dynamic assignment of rights, because, for example, there is no copy made if the copy-count is zero. Thus, Stefik fails to disclose dynamically assigning a usage right to the digital content based on the status of the dynamic condition as is recited in the claims.

6. Conclusions Regarding Stefik

For at least the above reasons, Appellants submit that Stefik fails to disclose, suggest, or render obvious, each and every feature recited in the claims, as is required for a proper rejection under 35 U.S.C. § 102(b). Therefore, Appellants submit that the rejection of claims 1, 6, 8-18, 25, 27-37, 39, 43, and 45-57 under 35 U.S.C. § 102(b) as being anticipated by Stefik should be REVERSED.

D. The Rejection of Claims 1, 3, 6-18, 22, 25-37, 39, 40, And 43-57 Under 35 U.S.C. § 103(a) Over Stefik et al. in view of Grosh Should Be REVERSED.

Claims 1, 3, 6-18, 22, 25-37, 39, 40, and 43-57 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Stefik et al. in view of Grosh. Appellants submit that neither Stefik nor Grosh, taken alone or in combination, disclose, suggest, or render obvious the invention as recited in the claims.

As set forth above, Stefik fails to disclose, suggest, or render obvious, each and every feature of the claims. Namely, Stefik fails to disclose at least the claimed feature of dynamically

assigning a usage right to the digital content based on the status of the dynamic condition. In an effort to overcome this deficiency of Stefik, the Examiner asserts, in the alternative, that Grosh discloses assigning usage rights based on a dynamic condition, such as pricing and purchase conditions.

In making this rejection, the Examiner cites the following portions of Grosh:

Abstract:

The present invention is directed to information valuation, negotiation and transaction. A supplier determines one or more pricing models to govern the purchase of some information. The price of that information is determined in accordance with a particular pricing model and a variety of dimensions and factors that modify the price pursuant to various purchase conditions.

Col. 2, lines 53-55:

It is, accordingly, an object of the present invention to provide a system and method for facilitating the valuation and sale of information on a public or private network.

Col. 2, lines 61-67:

The present invention is directed to information valuation, negotiation and transaction. A supplier determines one or more pricing models to govern the purchase of some information. The price of that information is determined in accordance with a particular pricing model and a variety of dimensions and factors that modify the price pursuant to various purchase conditions.

Col. 4, lines 19-21:

... these pricing factors can be established through static (pre-execution) and dynamic (during execution) configuration schemes to allow for the richest possible pricing mechanism...

Col. 6, lines 21-36:

With reference now to FIGS. 2 and 3 there is further illustrated a general model for valuating information in accordance with the present invention. At the top level is the aforementioned pricing model 20, which a seller may configure for particular circumstances, typically time/day restrictions. For example, with particular reference to FIG. 3, a "normal" pricing model for an informational product (box 20A) may be defined and active on weekdays between 0800 and 1700, i.e., the seller's normal business hours, a "nights" pricing model (box 20B) may be active after-hours on weekdays, a "weekend" pricing model (box 20C) may be active on all other times, and a "special" pricing model (box 20D) may be implemented at specific times, e.g., a sale or coupon offering between 1200 and 1300, or under other circumstances, e.g., within particular geographical areas.

Col. 7, line 61, to Col. 8, line 21:

With reference now to FIG. 4, if the item is in DEMAND (box 24A), e.g., as dynamically ascertained by the number of website hits within a particular time period (hits/min>100), then the pricing unit value associated with the magazine may be increased by a multiplier or an additional cost to account for the increased demand and strain on system resources. If immediate DELIVERY is requested, e.g., outside of the normal transmission protocol, then another multiplier or additional cost may be added for this service. Even though a subscriber or regular

user (PRIOR) may ordinarily obtain the magazine at no cost, should they want their issue out of turn, then the above increased costs may be applicable. If the desired magazine is TIMELY, i.e., a more valuable recent issue or conversely a less valuable older issue, then a multiplier or incremental/decremental additional cost may accrue. For example, a non-subscriber may want the most recent magazine, for which they should pay full price (a multiplier of 1) but an older magazine may warrant a slightly lower (0.75 multiplier for magazines several weeks or months old) or much lower (0.5 for magazines years old) cost consideration. Lastly, if only a portion (VOLUME) of the magazine is requested, then a portion of the entire price may be in order, e.g., a 0.5 multiplier. It should be understood, of course, that these values are representative only and the supplier may determine other orderings or valuations in accord with the particularities of their business and information supplied.

However, contrary to the assertions of the Examiner, the pricing structure in Grosh is already assigned to the work before distribution, and it is merely “calculated” at the time of distribution. The distributed work in Grosh has no usage rights attached to it, so there is no need for dynamically assigning rights at distribution time. Thus, Grosh fails to overcome the above-noted deficiencies of Stefik.

E. The Rejection of Claims 4, 5, 23, 24, 41, and 42 Under 35 U.S.C. § 103(a) Over Stefik, Grosh, And Either Appellants’ Admitted Prior Art or Cox et al. Should Be REVERSED.

Claims 4, 5, 23, 24, 41, and 42 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Stefik, Grosh, and either Appellants’ Admitted Prior Art or Cox et al. Appellants respectfully disagree and submit that none of Stefik, Grosh, Cox, or AAPA, taken alone or in combination, disclose or suggest the claimed invention.

AAPA and Cox et al. also fail to overcome the above-noted deficiencies of Stefik and Grosh. For example, Cox et al. discloses a secure spread spectrum watermarking technique that embeds a unique identifier into the perceptually significant components of a decomposition of an image, an audio signal, or a video sequence, but fails to disclose or suggest dynamically assigning a usage right to the digital content based on the status of a dynamic condition. Cox et al. instead merely discloses a technique for inserting digital watermarks in a data file. There are no usage rights in Cox et al.

In contrast to the disclosures of Stefik, Grosh, Cox, and the AAPA, the claimed invention provides that the usage rights are dynamically assigned to content based on dynamic conditions occurring before, or at the time of association of the rights with content.

F. The “Claim Interpretation” and “Additional Findings of Fact” Sections

The Examiner has defined many claim terms on page 14 of the Final Office Action based on dictionary definitions. However, in footnote 3 found on page 13 of the Final Office Action, the Examiner cites the Brookhill case which correctly states that dictionary definitions are secondary to the intrinsic record and should not be used to contradict the intrinsic record.

³ See e.g. *Brookhill-Wilk 1 LLC v. Intuitive Surgical Inc.*, 334 F.3d 1294, 1300, 67 USPQ2d 1132, 1137 (Fed. Cir. 2003) (abstract dictionary definitions are not alone determinative; “resort must always be made to the surrounding text of the claims in question”).

Appellants submit that the intrinsic record should be properly utilized to construe the claim terms rather than the extrinsic dictionary definitions provided by the Examiner.

G. CONCLUSION

For all of the reasons presented above and in the enclosed documents, Appellants respectfully submit that amendments submitted in the Amendment After Final should be entered and that the rejections of claims 1, 3-18, 22-37, and 40-57 under 35 U.S.C. § 112, first paragraph, claims 1, 3-18, 22-37, and 40-57 under 35 U.S.C. § 112, second paragraph, claims 1, 6, 8-18, 25, 27-37, 39, 43, and 45-57 under 35 U.S.C. § 102(b) over Stefik, claims 1, 3, 6-18, 22, 25-37, 39, 40, and 43-57 under 35 U.S.C. § 103(a) over Stefik in view of Grosh, and claims 4, 5, 23, 24, 41, and 42 under 35 U.S.C. § 103(a) over Stefik, Grosh, and either Appellants’ Admitted Prior Art or Cox et al. should be REVERSED.

Except for issue fees payable under 37 C.F.R. § 1.18, the Commissioner is hereby authorized by this paper to charge any additional fees during the entire pendency of this application including fees due under 37 C.F.R. §§ 1.16 and 1.17 which may be required, including any required extension of time fees, or credit any overpayment to Deposit Account No. 50-1529.

Respectfully submitted,

Date: -- DRAFT --

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IX. CLAIMS APPENDIX

This listing of the claims reflects the claims currently pending in this application, prior to the Amendment After Final.

1. (Previously Presented) A method of dynamically assigning usage rights to digital content for use in a system having at least one repository, said method comprising:

specifying, using a processor, a usage right, the usage right comprising computer readable data stored on a recording medium, the data of the usage right specifying an authorized use of digital content and being enforceable by a repository;

determining, using a processor, a status of a dynamic condition; and

dynamically assigning, using a processor, the usage right to the digital content based on the status of the dynamic condition,

wherein access to the digital content is controlled by the repository through enforcement of the usage right assigned to the digital work.

2. (Cancelled)

3. (Original) The method of claim 1, wherein the usage right specifies a resolution of the digital content that is authorized for use by the user.

4. (Original) The method of claim 3, comprising:

determining a resolution for download of the digital content based on the status of the dynamic condition;

applying a sub-band decomposition algorithm to the digital content to create sub-images;
and

combining the sub-images into a processed image of the determined resolution for downloading.

5. (Original) The method of claim 4, wherein said applying step comprises applying a wavelet decomposition algorithm to the digital content.

6. (Original) The method of claim 1, wherein the dynamic condition includes a time of day.

7. (Original) The method of claim 1, wherein the dynamic condition includes a load on a computer system used to distribute the digital content.

8. (Original) The method of claim 1, wherein the usage right includes a fee charged for the digital content based on the status of the dynamic condition.

9. (Original) The method of claim 1, wherein the usage right includes a distribution right for the digital content based on the status of the dynamic condition.

10. (Original) The method of claim 1, wherein the authorized use of the digital content includes at least one of an ability to print the digital content, an ability to distribute the digital content, a number of times that the digital content can be used, and a resolution of the digital content, and

wherein the method comprises dynamically assigning based on the status of the dynamic condition the usage right specifying the at least one of the ability to print the digital content, the ability to distribute the digital content, the number of times that the digital content can be used, and the resolution of the digital content.

11. (Original) The method of claim 1, wherein the digital content includes textual content.

12. (Original) The method of claim 1, wherein the digital content includes audio content.

13. (Original) The method of claim 1, wherein the digital content includes video content.

14. (Original) The method of claim 1, wherein the digital content includes software.

15. (Original) The method of claim 1, comprising conducting the determining step in a continuous manner.

16. (Original) The method of claim 1, comprising conducting the determining step in a periodic manner.

17. (Previously Presented) The method of claim 1, further comprising distributing the digital content and wherein said determining step occurs contemporaneously with said distributing step.

18. (Previously Presented) A system for dynamically assigning usage rights to digital content and including at least one repository, said system comprising:

a processor for specifying a usage right, the usage right specifying an authorized use of digital content and being enforceable by a repository;

a processor for determining a status of a dynamic condition; and

a processor for dynamically assigning the usage right to the digital content based on the status of the dynamic condition,

wherein access to the digital content is controlled by the repository through enforcement of the usage right assigned to the digital work.

19-21. (Canceled)

22. (Previously Presented) The system of claim 18, wherein the usage right specifies a resolution of the digital content that is authorized for use by the user.

23. (Previously Presented) The system of claim 22, further comprising:

a processor for determining a resolution for download of the digital content based on the status of the dynamic condition;

a processor for applying a sub-band decomposition algorithm to the digital content to create sub-images; and

a processor for combining the sub-images into a processed image of the determined resolution for downloading.

24. (Previously Presented) The system of claim 23, wherein said processor for applying further applies a wavelet decomposition algorithm to the digital content.

25. (Previously Presented) The system of claim 18, wherein the dynamic condition includes a time of day.

26. (Previously Presented) The system of claim 18, wherein the dynamic condition includes a load on a computer system used to distribute the digital content.

27. (Previously Presented) The system of claim 18, wherein the usage right includes a fee charged for the digital content based on the status of the dynamic condition.

28. (Previously Presented) The system of claim 18, wherein the usage right includes a distribution right for the digital content based on the status of the dynamic condition.

29. (Previously Presented) The system of claim 18, wherein the authorized use of the digital content includes at least one of an ability to print the digital content, an ability to distribute the digital content, a number of times that the digital content can be used, and a resolution of the digital content, and the system further comprises a processor for dynamically assigning, based on the status of the dynamic condition, the usage right specifying at least one of the ability to print the digital content, the ability to distribute the digital content, the number of times that the digital content can be used, and the resolution of the digital content.

30. (Previously Presented) The system of claim 18, wherein the digital content includes textual content.

31. (Previously Presented) The system of claim 18, wherein the digital content includes audio content.

32. (Previously Presented) The system of claim 18, wherein the digital content includes video content.

33. (Previously Presented) The system of claim 18, wherein the digital content includes software.

34. (Previously Presented) The system of claim 18, further comprising a processor for conducting the determining of the status of the dynamic condition in a continuous manner.

35. (Previously Presented) The system of claim 18, further comprising a processor for conducting the determining of the status of the dynamic condition in a periodic manner.

36. (Previously Presented) The system of claim 18, further comprising a processor for distributing the digital content and a processor for conducting the determining of the status of the dynamic condition contemporaneously with distribution of the digital content.

37. (Previously Presented) A device for enforcing usage rights assigned to digital content, said device comprising:

a repository for receiving the digital content;

a processor for requesting use of the digital content; and

a repository for enforcing use of the digital content in accordance with a usage right specifying an authorized use of the digital content, wherein the usage right is dynamically assigned to the digital content based on a determined status of a dynamic condition.

38-39. (Cancelled)

40. (Previously Presented) The device of claim 37, wherein the usage right specifies a resolution of the digital content that is authorized for use by the user.

41. (Previously Presented) The device of claim 40, further comprising:
a processor for determining a resolution for download of the digital content based on the status of the dynamic condition;
a processor for applying a sub-band decomposition algorithm to the digital content to create sub-images; and
a processor for combining the sub-images into a processed image of the determined resolution for downloading.

42. (Previously Presented) The device of claim 41, wherein said processor for applying further applies a wavelet decomposition algorithm to the digital content.

43. (Previously Presented) The device of claim 37, wherein the dynamic condition includes a time of day.

44. (Previously Presented) The device of claim 37, wherein the dynamic condition includes a load on a computer device used to distribute the digital content.

45. (Previously Presented) The device of claim 37, wherein the usage right includes a fee charged for the digital content based on the status of the dynamic condition.

46. (Previously Presented) The device of claim 37, wherein the usage right includes a distribution right for the digital content based on the status of the dynamic condition.

47. (Previously Presented) The device of claim 37, wherein the authorized use of the digital content includes at least one of an ability to print the digital content, an ability to

distribute the digital content, a number of times that the digital content can be used, and a resolution of the digital content, and the usage right specifies at least one of the ability to print the digital content, the ability to distribute the digital content, the number of times that the digital content can be used, and the resolution of the digital content.

48. (Previously Presented) The device of claim 37, wherein the digital content includes textual content.

49. (Previously Presented) The device of claim 37, wherein the digital content includes audio content.

50. (Previously Presented) The device of claim 37, wherein the digital content includes video content.

51. (Previously Presented) The device of claim 37, wherein the digital content includes software.

52. (Previously Presented) The device of claim 37, wherein the status of the dynamic condition is determined in a continuous manner.

53. (Previously Presented) The device of claim 37, wherein the status of the dynamic condition is determined in a periodic manner.

54. (Previously Presented) The device of claim 37, wherein the digital content is distributed and the status of the dynamic condition is determined contemporaneously with distribution of the digital content.

55. (Previously Presented) The method of claim 1, wherein the steps of specifying, determining, and assigning are carried out using the same processor.

56. (Previously Presented) The system of claim 18, wherein the processors for specifying, determining, and assigning are combined into a single processor.

57. (Previously Presented) The device of claim 37, wherein the repository for receiving and the repository for enforcing are combined into a single repository.

X. EVIDENCE APPENDIX

- Exhibit A: Amendment After Final
- Exhibit B: Claims Assuming Entry of Amendment After Final
- Exhibit C: Advisory Action

XI. RELATED PROCEEDINGS APPENDIX

Decisions from the following appeals are submitted herewith for the Board's consideration, as required by 37 CFR 41.37(c)(1)(x).

- Appeal No. 2009-008480, U.S. Appl. No. 10/162,212 (Atty. Docket No. 10-531-US-P)
- Appcal No. 2009-008881, U.S. Appl. No. 10/163,634 (Atty. Docket No. 10-531-US-P3)